

OGC Has Reviewed

26 July 1949

The Executive

General Counsel

Negotiation of Contracts

REFERENCE: Memorandum of Services Officer to Executive, 20 July 1949, subject: "CIA Notice [REDACTED]"

25X1A

1. The authority to negotiate contracts without advertising where the aggregate amount involved does not exceed \$1,000.00 was given to the Agency by Section 3. (a) of Public Law 110, 81st Congress, which extends to the Agency certain authorities of Public Law 413 of the 80th Congress, the Armed Services Procurement Act of 1947.

2. This power to negotiate could be exercised by the Contracting Officers of the Agency at any time after passage of the Act, except for the restriction imposed by the Director in CIA Notice [REDACTED]. There is, therefore, no legal objection to approval by the Director of an exception to this Notice allowing negotiation of contracts of \$1,000.00 or under. We believe, however, that it will be preferable to cite Public Law 110 as the authority rather than Public Law 413. Accordingly, we submit a draft of an authorization which may be used for this purpose.

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3. You will note that Section 2. (c) of Public Law 413 states that "such purchases and contracts may be negotiated by the agency head" (emphasis added). "Agency head" for our purposes is defined as the Director, Deputy Director or the Executive. Consequently, negotiated contracts in excess of the normal statutory limit are not exceeding \$1,000.00 must be approved for negotiation by the Agency head as defined above.

Encl:

Draft of auth.

LAWRENCE R. HOUSTON

LRHouston:mv

cc: Chrono

✓ Subject

Legal Decisions